APPENDIX

APPENDIX.

Although the Circuit Court of Appeals in its opinion referred to and quoted an extract from a leading Illinois case, *Riordon* v. *McCabe,* 341 Ill. 506, it seems clear that it decided the case at bar contrary to the Illinois law as expounded by that decision.

McCabe was a farmer; he bought and sold futures during 1919, 1920 and 1921. His transactions were speculative; he was not in the grain business nor did he have use for the grain dealt in.

His total purchases and sales up to March 21, 1921, aggregated 25,363,500 bushels at a total price of $29,056,-783.75. His transactions after March 21, 1921 amounted to 2,505,000 bushels.

He did not take or make delivery on a single bushel of grain bought or sold by him.

Notwithstanding, the Supreme Court of Illinois held all the transactions made prior to March 21, 1921, valid.

So far as the instant case is concerned the significant part of the Riordon decision is the ruling that there was no evidence of an illegal intent as to the trades made before March, 1921, despite the fact that McCabe was not in the grain business, had no use for the grain, and his trades ran into millions of bushels involving $29,000,000.00.

It was only after McCabe had sunk into deep financial difficulties, evidenced by his large overdrafts with his broker, the deeds of trust he delivered to his broker, the forced liquidation of his holdings, all of which his broker knew, that the Supreme Court ruled the broker must have known McCabe could not take delivery.

In the light of the Riordon decision there cannot be any doubt as to the legitimacy of the petitioner's transactions in the case at bar.